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3) Secretary of State Clinton arrives in Japan

ASAHI (Page 1) (Full)  
February 17, 2009

United States Secretary of State Hillary Clinton arrived at Narita Airport by special plane last night. Japan is the first destination of her overseas trip since she assumed office. Speaking before reporters at the airport, she emphasized: "I am visiting Asia on my first overseas trip in my new role in order to convey my view that our engagement with countries in the Pacific region is indispensable

in dealing with global issues in the 21st century."

After meeting with Foreign Minister Nakasone and Defense Minister Hamada, Secretary Clinton will have dinner with Prime Minister Aso today. She is also scheduled to meet Democratic Party of Japan President Ozawa and some family members of Japanese citizens abducted by North Korean agents.

4) U.S. Secretary of State Clinton, arriving in Japan, stresses priority on Asia

TOKYO (Page 1) (Almost full)  
February 17, 2009

U.S. Secretary of State Hillary Clinton arrived in Japan last evening on her first overseas tour since assuming her post. Arriving at Haneda Airport aboard a special aircraft, the Secretary, speaking to the press corps, stressed the significance of her coming to

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Japan: "By strengthening our historical alliance with Japan and building new partnerships with newly emerging countries, I would like to create a global network for resolving issues that one country alone cannot do." In her separate meetings on the 17th with Prime Minister Taro Aso, Foreign Minister Hirofumi Nakasone, and Defense Secretary Seiichi Hamada, she will discuss and express her views on such issues as the financial crisis, nuclear proliferation, and the situation in Afghanistan. The Obama administration has taken a stance of prioritizing Asia. Regarding her current trip to Asia, Secretary Clinton stressed: "In order to tackle the challenges of the 21 century, it is indispensable that the U.S. has (close) relations with the Asia-Pacific region." In addition, the Secretary will meet with families of the abductees and participate in a dialogue session at Tokyo University. She said: "We must have strong bonds not only at the government to government level but also at the people to people level, as well."

5) Clinton arrives in Japan on her first trip as Secretary of State to demonstrate that U.S. attaches importance to Asia-Pacific

SANKEI (Page 2) (Full)  
February 17, 2009

U.S. Secretary of State Hillary Clinton arrived in Japan on the night of Feb. 16. She will stay in Japan, her first leg on her Asian tour as Secretary of State, until Feb. 18. During her stay in Japan, she will hold talks with Prime Minister Taro Aso and other Japanese leaders to discuss North Korea's nuclear development and ballistic missile issues, measures against the global financial crisis, and climate change, as well as to meet with families of abduction victims.

In a welcome ceremony following her arrival at Haneda Airport, Secretary Clinton said:

"I have come to Asia on my first trip as secretary of State to convey that America's relationships across the Pacific are indispensable to addressing the challenges and seizing the opportunities of the 21st century. The U.S.-Japanese alliance is vitally important to both of our countries, and the foundation of our partnership is based, and always will be, on a commitment to our shared security and prosperity."

She also indicated that she would like to maintain and advance the long and deep relations between the two countries to the new century with confidence and optimism (through a dialogue during her stay in Japan).

The welcome ceremony was also attended by Japanese female astronauts Chiaki Mukai and Naoko Yamazaki. Secretary Clinton smilingly praised the two astronauts, saying: "The two of you are proof of continuous cooperation between the two countries in the field of science. I wanted to be an astronaut myself when I was a child."

On Feb. 17, Secretary Clinton is scheduled to hold talks with Prime Minister Taro Aso, Foreign Minister Hirofumi Nakasone, Defense

Minister Yasukazu Hamada, and Democratic Party of Japan President Ichiro Ozawa, and to attend a tea party to be hosted by the Empress at the Imperial Palace.

Further, Secretary Clinton has shown strong enthusiasm for meeting with families of abduction victims, saying: "I would like to meet

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with them as a mother, daughter, and sister rather than as secretary of state."

The Secretary's Asian tour until Feb. 22 will also take her to Indonesia, South Korea and China.

6) U.S. Secretary of State Clinton stresses that abduction issue will be included in Six-Party Talks

NIKKEI (Page 2) (Full)  
February 17, 2009

Prior to arriving in Japan on Feb. 16, Secretary of State Clinton briefed the traveling press aboard her aircraft. According to the State Department, the Secretary, commenting on the abduction issue, said: "It is part of the Six-Party Talks (on the nuclear issue). Japan need not be concerned." She expressed her aim to resolve the issue during the same set of talks.

7) In today's foreign ministerial, Japan, U.S. to agree on early summit meeting

NIKKEI (Page 2) (Full)  
February 17, 2009

In their meeting today, Foreign Minister Nakasone and U.S. Secretary of State Clinton are expected to agree to an early convening of a summit meeting between Prime Minister Aso and President Obama. Japan would like the meeting to take place in March prior to the G-20 meeting in London on April 2. After the two cabinet minister's reach an agreement, coordination will begin on the specifics.

8) North Korea hints at launching satellite; May launch it shortly after Kim Jong Il's birthday

SANKEI (Page 2) (Full)  
February 17, 2009

Katsuhiro Kuroda, Seoul

Kim Jong Il, the supreme commander and General Secretary of North Korea, turned 67 on Feb. 16. In its Feb. 16 editorial, the Nodong Sinmun, the Korean Workers Party organ paper, against suggested the succession of power to the third generation after Kim Jong Il by playing up the "succession of the blood of Mt. Paektu" and "revolutionary achievements over generations." Pyongyang also denied the speculation that North Korea is preparing to fire a long-range missile and suggested instead the launch of a satellite, with the Korean Central News Agency reporting, "What is launched will be known sooner or later. Developing space is our independent right."

In 1998, North Korea launched a long-range Taepodong missile for the first time. But the country, in order dodge international criticism, explained that it had launched a satellite.

But given the North's rebuttal signifying its indirect admission this time around of its preparations for a launch, the prevailing view in Seoul is that there is a strong possibility that the North will launch it in the not distant future.

As usual, a variety of events celebrating Kim Jong Il's birthday were held at various parts of the country, including the central

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celebration ceremony in Pyongyang. But Kim Jong Il was absent from the central celebration ceremony which brought together military and

party leaders, such as Supreme People's Assembly Presidium President Kim Yong Nam, Minister of the People's Armed Forces Kim Yong Chun and new chief of staff Lee Yong Ho.

9) N. Korea warns of missile launch

NIKKEI (Page 1) (Full)  
February 17, 2009

Yoshiharu Asano, Seoul

North Korea's Korean Central News Agency (KCNA) yesterday reported on an article titled "Making much ado with rumors about preparing to launch missiles is insulting to us." The KCNA report added, "They (foreign countries) will find out what will be launched in our country." With this, North Korea owned up to its plan to launch a ballistic missile shortly. This is the first time for North Korea to warn of a missile launch in advance.

U.S. and South Korean government authorities had caught North Korea's move preparing to launch a Taepodong-2 long-range ballistic missile that ranges 4,300-6,000 kilometers. However, KCNA implied its attempt to launch an artificial satellite, claiming that "space development is our own right." Yet, the projectile for an artificial satellite is the same as that for a ballistic missile. North Korea is believed to be launching a Taepodong-2 missile in the guise of an artificial satellite.

North Korea's launching a missile at this point is highly likely to be in an attempt to bring the United States to a 'direct dialogue' with North Korea by warning against the Obama administration that was just inaugurated in January.

10) GDP suffers largest 12.7 PERCENT drop in 35 years: Collapse of both domestic and external demands; Worst plunge seen in exports; Government, ruling parties to rush to consider additional stimulus package

NIKKEI (Top Play) (Excerpts)  
Evening, February 16, 2009

The Cabinet Office on February 16 released a preliminary figure for the gross domestic product (GDP) for the October-December quarter of 2008. The nation's GDP marked a 3.3 PERCENT decline in real terms, which excludes the impact of fluctuations in prices, from the preceding quarter, or an annualized real 12.7 PERCENT drop. The Japanese economy suffered negative growth for three straight quarters. The decline in Japanese GDP was the steepest in about 35 years, following an annualized 13.1 PERCENT in the January-March quarter of 1974, when the country was suffering from the fallout of the first oil crisis. Exports marked the largest decline due to the global recession. Personal consumption and capital investment also plunged. The Japanese economy sank even deeper than that of the U.S. and Europe due to the collapse of both domestic and external demands. The economy will most likely suffer negative growth in the January-March quarter of 2009 as well. The government and the ruling parties will rush to consider additional stimulus measures.

Backlash to reliance on exports serious: Pronounced drop in GDP among leading economies

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(Commentary) The Japanese economy contracted markedly, compared with the U.S. and European economies. The major reason for that is its structure. The Japanese economy relies on exports more than the U.S. and European economies. Its steepest plunge has indicated the severity of a blow such an economy suffers when the global economy fell into a recession.

The real growth rate of the U.S. economy for the October-December quarter of 2008 shrank an annualized 3.8 PERCENT, while the eurozone economy saw an annualized shrinkage of about 6 PERCENT. The rates of the fall of those economies are smaller than that of the Japanese economy.

In the case of the Japanese economy, the contribution of external demand to growth in the October-December quarter was negative 3.0 points, largely falling below the U.S.' 0.1 point. Demand for high-priced durable consumption goods, such as autos and digital electronic appliances, have dropped sharply due to the decline in the sluggish domestic economy. The unusually fast adjustment in production and capital investment mainly in the export-oriented industry has led to substantial negative growth. Europe also relies on exports. However, the Cabinet Office sees that since their trade partners are countries whose economies have had a relatively strong showing, such as Russia, (the global recession) has had an impact on European economies in a different manner.

Not only sluggish corporate performances but also employment uncertainties, which spread mainly among non-permanent workers, are eroding consumer confidence. There was a case in which real GDP marked negative growth for three consecutive quarters. This time, the negative growth will likely continue into the fourth quarter. The largest plunge was marked in the January - March quarter of 1974. Even at that time, GDP moved into the plus column in the next quarter. A possible delay in the implementation of the economic stimulus package could protract the worst recession among leading countries.

11) Ozawa opposed to sending reinforcements to Afghanistan

ASAHI (Page 4) (Full)  
February 17, 2009

Democratic Party of Japan (Minshuto) President Ozawa in a radio program aired yesterday indicated that he was opposed to the U.S. Obama administration's plan to send more troops to Afghanistan. "No matter how many more troops they may send there, they can never prevail," Ozawa said. The Obama administration regards Afghanistan as the main theater in the war on terror. Ozawa's remarks will likely create a stir ahead of his scheduled meeting today with U.S. Secretary of State Clinton.

The radio program was recorded on Feb. 12. Ozawa was asked what relationship Japan should build with the Obama administration. "I like Americans," Ozawa said. "But," he went on, "they are a little simple-minded." He added, "They have a strong economy and strong muscle, so they are arrogant." With this, Ozawa criticized the former Bush administration for its unilateralism in the war on terror.

In addition, Ozawa noted that the Obama administration has played up international cooperation but should have a second thought about

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sending more troops again. "No matter how many more troops they may send, they would never be able to win," Ozawa said. Citing the U.S. war in Vietnam and the Soviet invasion of Afghanistan, Ozawa said the United States "will have to have a strong hold on the public mind."

"If I had an opportunity to talk with the president," Ozawa said, "I would say this." With this, Ozawa clarified that he would convey his thoughts to President Obama. He further said: "We will produce farmland and make people rich. If we are entrusted with the reins of government, Japan will contribute in that way." So saying, Ozawa stressed again that if the DPJ takes office in the next election for the House of Representatives, Japan will make civilian contributions in its assistance to Afghanistan.

Ozawa had made those remarks before his schedule for today's meeting with Clinton was finalized. Their conversation in the meeting today will draw attention. But Ozawa positions his meeting with Clinton as an opportunity for them to be 'introduced' to one another. In the meeting, Ozawa will likely lay emphasis on the bilateral alliance between Japan and the United States. In the meantime, however, he is not expected to go deep into specifics.

This is the first time for the DPJ head and the U.S. secretary of State to meet. Ozawa has said it would be all right for each other to "get acquainted" this time around in preparation for a change of

government.

In his Diet interpellation in October last year, Ozawa endorsed the government's standpoint of basing Japan's security on its alliance with the United States. Meanwhile, he also stated: "Blindly following the U.S.) cannot be called an alliance. The two countries should have an equal partnership for a stronger relationship between Japan and the United States." Ozawa will likely develop a similar argument in the meeting with Clinton today.

12) Mori seeks to counter drive to remove Prime Minister Aso from office; He says, "LDP presidential election is not necessary"

ASAHI (Page 2) (Full)  
February 17, 2009

When asked about the Aso cabinet's slump in the polls on a TBS infotainment program yesterday morning by the program's emcee Monta Mino, former Prime Minister Yoshiro Mori, a member of the ruling Liberal Democratic Party (LDP), said: "I want you to watch the situation for a while. The top priority of the cabinet is to pass the budget bills." He sought to constrain a drive to remove Prime Minister Taro Aso from office, which is now appearing in the LDP.

Mori said in a strong tone: "It is unavoidable for the LDP" to fight the general election under Aso's leadership, "because we chose him as our leader. It is unfair to remove him from office." Asked about the idea of speeding up the LDP presidential race in order to change the party's president to lead the LDP into the Lower House election, Mori said: "I think such is unnecessary."

It is unusual for Mori to appear on such an infotainment television program. He seems to have aimed to avoid political confusion ahead of the passage of the budget bills by appearing on a television program which political circles believe to have influence over the public opinion.

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13) Supplementary budget for fiscal 2009 aimed at stemming move to oust Aso: Prime minister's side to counter with stimulus package

YOMIURI (Page 4) (Full)  
February 17, 2009

Some in the ruling camp are beginning to believe that now that the government and the ruling parties had started looking into a fiscal 2009 supplementary budget in an effort to address the plunging economy, the move to oust Aso would be stalled for the time being. However, with public support rates for the Aso cabinet plummeting, to what extent such an effort by the government and the ruling parties will lead to buoying up the administration is unclear.

Asked about the supplementary budget plan by reporters, Prime Minister Taro Aso on the evening of February 16 simply replied: "We are in the middle of deliberations on the main budget draft for (fiscal 2009). A supplementary budget is not a subject matter to be discussed before passage of the initial budget."

In the meantime, the prime minister during a meeting held at the party headquarters at noon of the same day stressed: "The government's economic stimulus package now stands at the starting line. We must get this done before anything else."

Many of Liberal Democratic Party (LDP) members who are critical of the prime minister are in agreement on the view that they will support the prime minister until around April, because deliberations on the fiscal 2009 budget and related bills are expected to continue by that time.

However, some lawmakers are beginning to search for a new key person of the party with an eye on the next Lower House election, by holding an LDP presidential election, before the prime minister's tenure as LDP president expires. Chances are that such a move will gain ground, because former Prime Minister Koizumi criticized the prime minister's remark on reviewing the privatized postal

services.

As such, the prime minister's side appears to be calculating that if the government comes up with a draft supplementary budget after passage of the main budget in a seamless manner, it would be able to contain the anti-Aso move.

14) Aso in self-deprecating mood, sees public support plummet to below 10 PERCENT

MAINICHI (Page 5) (Full)  
February 17, 2009

Delivering a speech in a training session of the women's section of the Liberal Democratic Party's Shizuoka prefectural branch held at party headquarters yesterday, Prime Minister Taro Aso said: "I am somewhat unpopular. I feel truly sorry," inviting chuckles from the audience. He also made this remark when a service dog visited the Prime Minister's Office on Feb. 13: "I am only liked by dogs." Aso thus has been making self-deprecating statements recently.

The latest opinion polls revealed by press companies showed that public support of his cabinet dropped to below the 10 PERCENT level. In the survey conducted by Nippon Television network Corp.

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this weekend, the public support rate plunged to 9.7 PERCENT, down 7.7 percentage points below that in the previous survey and marking a level below 10 PERCENT for the first time. Aso said in the speech:

"The disapproval of my cabinet is my fault, but that is also greatly attributed to the fact that the budget bills have yet to clear the Diet. Some might be complaining, 'the fault lies with Aso,' but it is absurd that the budgetary issue is linked to my unpopularity."

In the speech, he said, "The U.S. President will come" by mistake, instead of "U.S. Secretary of State Clinton will come."

15) Opposition parties to submit censure motion against Finance Minister Nakagawa over groggy press conference appearance; Prime Minister Aso instructs him to stay on in his post

ASAHI (Top Play) (Excerpts)  
February 17, 2009

The focus is now on whether Finance Minister Shoichi Nakagawa should take responsibility for his performance at a news conference after the Group of Seven (G-7) finance ministers and central bank governors meeting. Although Prime Minister Taro Aso yesterday took a position of retaining him in his post, the main opposition Democratic Party of Japan (DPJ) has decided to submit to the House of Councillors a censure motion against Nakagawa. The Nakagawa issue will inevitably have an impact on Diet deliberations. Aso's responsibility for appointing him as a cabinet member also is now being called into question. Therefore, if the issue worsens even further, it would be detrimental to the Aso administration, which has drastically lost its popularity.

Nakagawa revealed to reporters last night that he had gone to the hospital on the day. He said, "I have a medical certificate that says my performance stemmed from taking too much cold medicine." He then stressed that he had no intention to quit his post, saying: "Unless I am dismissed, I will fulfill my duties since it is a crucial time."

In the DPJ, the largest opposition force, Naoto Kan, the party's deputy head, and Azuma Koshiishi, chairman of the DPJ's caucus in the Upper House, confirmed yesterday that the party will submit a non-binding censure motion against Nakagawa. After coordinating views with other opposition parties, the Japanese Communist Party, Social Democratic Party, and People's New Party, the DPJ is expected to submit it tonight (to the Upper House) at the earliest based on answers by Nakagawa at deliberations in the House of Representatives Budget Committee. The opposition intends to take a vote on the censure motion on the 18th. It is certain that the motion will be

adopted in the opposition-controlled Upper House.

ZUMWALT